



CITY OF BATTLE CREEK  
CITY MANAGER

November 13, 2013

Honorable Jack Brandenburg  
Michigan Senator, 11<sup>th</sup> District  
Chair, Finance Committee  
Michigan State Senate  
P.O. Box 30036  
Lansing, MI 48909-7536

Dear Chairman Brandenburg and Members of the Senate Finance Committee:

It is my understanding that legislation is being considered that would allow economic development organizations to receive an exemption from property taxes on property held or owned for purposes of economic development. This letter is submitted in support of such legislation.

For decades, Battle Creek Unlimited (BCU), a private, non-profit economic development organization, has served the Battle Creek community in all aspects of economic development including property acquisition and redevelopment. It is quite common for BCU to hold parcels for several years on the City government's behalf as it works to assemble and prepare appropriately sized sites for redevelopment. The cost of acquiring and holding property can be significant, especially in light of the increasingly limited resources available to local government.

The purpose of any local economic development organization is to help communities and our state in their efforts to grow our economy and if we all want to see successful economic development in our communities and state, these organizations need to be supported with sufficient resources. It seems foolish to have these economic development organizations spend their financial resources to pay property taxes rather than on more aggressive marketing and site preparation work that can bring nonproductive land of land back to productive use more quickly. More expedient redevelopment of unproductive property provides communities and the state greater benefit than the use of economic development dollars to pay property taxes.

As the City Manager of the City of Battle Creek, I am urging the passage of SB 536, which would exempt non-profit economic development organizations from the payment of property taxes on property held for economic development purposes and allow for local governing body control over the granting of such exemptions.

Sincerely,

Kenneth H. Tsuchiyama  
City Manager

c: Senator Mike Nofs  
Representative Kate Segal  
Karl Dehn, President and CEO Battle Creek Unlimited